

CHAPTER 6

RESOURCE MANAGEMENT

LEARNING OBJECTIVES

Upon completion of this chapter, you should be able to do the following:

1. Describe the methods used to forecast requirements for personnel, equipment, and material.
 2. State the procedures used to make manpower authorization changes.
 3. State the purpose of required operational capabilities, (ROC) and the projected operational environment (POE).
 4. Describe the contents of the command manning documents and explain the procedures used to make recommendations for changes.
 5. State the purpose, contents, and use of the Enlisted Distribution and Verification Report (EDVR).
 6. Describe the methods used to prepare, revise, and monitor budgets.
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The Navy's maintenance of combat-ready forces requires dynamic and effective manpower systems that relate Navy requirements to the changing environment. In this chapter we will discuss the manpower management policies and general procedures used to determine ship, squadron, shore, and staff manpower requirements. The Navy uses these requirements to program manpower and to develop plans to procure, train, and assign personnel.

Basic to determining manpower requirements is the zero-base concept. Under this concept, manpower requirements are developed without consideration for funds, availability of personnel, or organization. All manpower is supported by actual or projected workloads based on approved operational requirements supporting a unit's assigned mission.

Financial management is the process by which the Navy, your command, and your division determine the following:

- How much money should be spent and for what purpose
- How financing is obtained
- Whether money was spent for its intended purpose and with the desired result

Financial management in the Navy is an important management function, and it is becoming more important as the competition for resources grows more intense.

MANPOWER PLANNING SYSTEM

The manpower requirements resulting from the policies and procedures established by the Chief of Naval Operations (CNO) provide the base from which manpower is programmed and plans are developed to procure, train, and assign personnel. The CNO directs and coordinates the development and implementation of the planning system to achieve operational and mission objectives. The planning system allows the CNO to determine the numbers of civilian positions and military billets and the specific skills required by each activity (afloat or ashore).

MANPOWER REQUIREMENTS

The Navy training plan (NTP) specifies the total manpower requirements for new developments or billet assets. The NTP includes the number and quality of operational billets, support billets, and billets required for fleet introduction or transfer. It is updated as necessary.

The appropriate Deputy Chief of Naval Operations (DCNO) or Director Major Staff Office (DMSO) provides Navy end-strength adjustments during the annual development of program objectives. When the Navy cannot obtain an increase in its end-strength, it reprograms its manpower assets. The DCNO/DMSO program sponsor submits the quality of billet requirements to the DCNO.

Several principal offices coordinate their efforts to establish a cost-effective plan for the cycle of new developments. Included are the offices of the Chief of Naval Operations; Commandant of the Marine Corps; Systems Commanders; Chief of Naval Personnel; and Commander, Naval Reserve Force. These offices closely coordinate their efforts to develop, carry out, and maintain training programs while they develop, procure, modernize, or alter operational equipment.

MANAGEMENT ACTIONS

You should effectively manage your manpower resources. To do that, ensure the number of billets and positions assigned on your activity's Manpower Authorization are the **minimum** requirements needed to support your mission, functions, and tasks. Also, identify, **via the chain of command**, all billets and positions in excess of those required. Review all your authorized billets and positions at least annually to ensure your manpower requirements are properly stated and are within CNO policy constraints.

You may decide to request an increase in your manpower resources because of a change in tasks or an increased workload. Before requesting an increase for such reasons, analyze all of your manpower requirements and the billets and positions authorized. To the extent possible, meet increased requirements by reassigning the people you have. Submit requests for manpower authorization changes in advance of the requested effective date of the change. Allow adequate time for review by the various levels in the chain of command. Because of fiscal constraints, rotational patterns, training, and deployment schedules, you may be unable to man newly authorized billets in less than 5 to 9 months.

NAVY ENLISTED CLASSIFICATION STRUCTURE/SYSTEM

The Navy Enlisted Classification (NEC) structure identifies special knowledge and skill levels. NECs consist of a four-digit numeric code, sometimes preceded by a letter designation (e.g., 0878, DG-9730, YN-2500).

The use of codes for these skills helps the Bureau of Naval Personnel (BUPERS) and individual commands track manning levels of specially trained personnel. An NEC usually indicates personnel have graduated from a special Navy school that teaches a specific skill. They may have learned an operational skill (e.g., gram analyst for sonar technicians) or a maintenance skill (e.g.,

maintenance of LM-2500 gas turbine engines). However, an NEC can also indicate that personnel have gained a skill through on-the-job training.

Types of NECs

The Navy uses three types of NECs: entry, rating, and special series. The following is a description of each type:

1. Entry series NECs—These NECs consist of rating conversion and occupational area-defense grouping NECs. They only apply in the training pipeline.

Z Rating conversion: This type of NEC identifies the skills or aptitude of personnel in training for another rate, such as the following:

Boatswains Mate Basic	BM-0199
Yeoman Basic	YN-2599
Machinist Mate	MM-4299

Z Occupational area defense grouping: This type of NEC relates to groups of entry ratings for which an identified requirement exists in multiple services. Occupational NECs are numbered from 9700 to 9780, and each area is identified by its third digit:

DG-9700 Infantry gun crews, Seamanship Specialist	BM, QM
DG-9710 Equipment Specialist Repairman	ST, FC, MT, ET, DS, AX, AT, AQ

2. Rating series NECs—These NECs relate to specific ratings and are used to identify billet requirements or skills not sufficiently identified by the rating alone. The Bureau of Naval Personnel (BUPERS) uses rating series NEC designations to allot specially trained personnel to the commands that need them. The following is an example:

Personnel in the Gunner's Mate rating have basic knowledge and maintenance skills in the area of guns, small arms, and ammunition. A Gunner's Mate needs special training to perform preventive maintenance on a particular gun system such as the 76-mm Otto Melara. After receiving special training on the 76-mm Otto Melara gun system, a Gunner's Mate would receive the NEC 0878.

3. Special series NECs—These NECs are not related to any particular rating. They are used to identify billet requirements that do not have a rating description. Special series NECs are general in nature and can be held by several ratings. The following are examples of special series NECs:

Instructor	9503 all ratings
ASIS Combat System Technician	9537 FT, ET, ST, EW, IC, GM
Collateral Duty Alcoholism Advisor	9521 all ratings

Source Ratings

Rating series NECs are assigned to qualified personnel in designated source ratings. They are also assigned to apprenticeship rates and striker-identified rates applicable to a designated source rating.

Certain E-8/E-9 compressed ratings are not listed as source ratings for NECs; however, personnel advanced to E-8 or E-9 do not lose NECs previously assigned.

You should not nominate or send your people to courses of instruction to earn NECs unless they are in the proper source rating or apprenticeship. For example, only personnel in the Photographer's Mate (PH) rating may earn NEC PH-8144, Motion Picture/TV Director, because PH is the only source rating for that NEC. However, both PHs and Journalists (JOs), if otherwise qualified, can earn NEC PH-8146, Motion Picture Script Writer, because PHs and JOs are source ratings for that particular NEC.

Personnel who already have a rating series NEC should not normally be nominated for, or sent to, a course of instruction to earn an additional rating series NEC. However, they may take the course if it is a logical progression from their earlier specialty training. They also may take the course if their NEC embodies an outdated technology or if they are in an approved program for a formal change in rating.

Sequencing NECs

Enlisted personnel on active duty may have up to five NECs. The first two, or primary and secondary, NECs (PNEC and SNEC) are reflected in section 4 (fig. 6-1) of the Enlisted Distribution and Verification Report (EDVR). Section 9 of the EDVR lists all five NECs a person may have. A sequence code is assigned to each

NEC. NEC sequence code numbers range from 1 to 8, and only one sequence code number is assigned to an NEC. Entry series NECs are assigned sequence code number 1. All other NECs are assigned a code number 2 through 8. The lower the sequence code number, the higher the NEC priority; for example, sequence 2 takes precedence over sequence 3. If a person has two or more NECs with the same sequence code number, the NEC for which the person most recently qualified takes precedence, except in unusual circumstances.

Justification for NECs Being Assigned to a Billet

Justify equipment or billet function changes when you submit requests for assignment of an NEC to a billet or for changes to your authorized manpower NEC billets. Keep the following policy in mind when you consider changes or requests with regard to NEC assigned billets:

- Assign NECs only to billets authorized on Manpower Authorizations (MPAs), OPNAV 1000/2, for source ratings for the NEC.
- Minimize secondary NEC assignments. If you need to assign a secondary rating series NEC to a billet, place the NEC that best describes the billet requirement in the primary NEC position.
- Adhere to minimum and maximum paygrades identified for the various NECs in the *Manual of Navy Enlisted Manpower and Personnel Classifications and Occupational Standards*, Section II, NAVPERS 18068E, when assigning NECs to billets.

Enlisted Women's Billet Designation

In the interest of efficient distribution and use of personnel, procedures have been established to identify certain billets ashore requiring women petty officers. Conversion NEC WP-9999 identifies these billets. This NEC maybe used as either a primary or secondary NEC on MPAs. Shore billets designated for women petty officers are intended to ensure the assignment of enough women petty officers to fill certain functions of an activity. These functions involve the supervision, training, and counseling of enlisted women. Such billets include company commanders in Recruit Training Commands (RTCs) and billets in correctional centers where women are confined.

Be aware of and identify billets qualifying for NEC WP-9999, and submit appropriate MPA change requests

PERSONAL DATA - - - PRIVACY ACT OF 1974

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Figure 6-1.-Enlisted Distribution and Verification Report (EDVR), section 4.

via the chain of command. When making recommendations for NEC WP-9999, make sure you fully justify the use of this NEC. Be prepared, on request, to provide continued justification for such billet codings.

ENLISTED PRIORITY MANNING

Because the mission of some activities is vital to our national interest, these activities must be properly manned, even when overall personnel shortages exist. Thus, they receive priority manning.

Authorized priority manning is indicated on an activity's MPA. It may include up to 1000-percent manning in quality and quantity or both for all or part of the activity. Priority manning may be on a continuous basis or for a specified period.

Because the priority manning of one activity means the undermanning of other activities, continuous efficient management of authorized manning is required. Three priority manning categories, priorities 1, 2, and 3, are used:

Priority 1. Ships and activities requiring priority manning for an indefinite period to carry out a mission of vital interest to our nation are authorized priority 1 manning. Priority 1 manning is limited to that portion of the activity essential to mission success. Only the CNO may authorize and direct priority 1 manning.

Priority 2. Ships and activities requiring increased manning for a specific period to carry out a mission that is essential to our national interest are authorized priority 2 manning. Priority 2 manning is limited to that portion of the activity essential to mission success. Only the CNO may authorize and direct priority 2 manning.

Priority 3. Ships and activities having a specific need for increased manning for specific mission accomplishment are authorized priority 3 manning by the respective manning control authority. Priority 3 manning is normally authorized for a maximum period of 1 year. Priority 3 manning authorizations are automatically cancelled on 31 March of each year, unless a specific date is otherwise authorized.

The priority manning system is generally limited to manning **whole** activities, **whole** ratings within the activity, or the **whole** specific NEC community in an activity. Remember that when you request priority manning because requests for specific priority manning beyond the general limitations of the system receive special processing. Requests for priority manning

should be made only when such manning is mandatory for mission accomplishment.

CHANGES TO MANPOWER AUTHORIZATION

Each Navy activity reviews its manpower requirements and classifications each year. This review ensures the deletion of unnecessary billets or positions and the proper classification of each authorized billet or position. If changes are required, submit a Manpower Authorization Change Request, OPNAV1000/4A (fig. 6-2).

If you request changes to ratings, rates, or the number of billets/positions, you need to justify the requests. Your justification should explain the changes in mission, function, and tasks or why the billet is classified wrong.

Make every effort to include all necessary requests for changes in your MPA during the annual review. Justify the submission of MPA change requests other than once annually. Base your justifications on changes in mission or functions beyond the control of your activity.

Request billet classifications on the basis of the duties, tasks, and functions to be performed. You should not request changes in the classification of billets to accommodate an incumbent or to require the services of a particular person. New billets are not normally established for a time duration less than a normal tour of duty.

You can find procedures for requesting MPA changes in the *Manual of Navy Total Force Manpower Policies and Procedures*, OPNAVINST 1000.16G.

CIVILIAN MANPOWER

Civilian positions within the Department of the Navy are separated into several groups or pay categories, including the following principal categories:

Senior Executive Service. Includes executives and high-level managerial positions.

General Schedule (GS). Includes workers in administrative, clerical, scientific, artistic, or technical fields, including positions in the merit pay system (General Management [GM] employees).

Wage Grade (WG). Includes positions in trades, crafts, or manual labor occupations.

Figure 6-2—Manpower Authorization Change Request, OPNAV 1000/4A.

Unlike the situation with military personnel, civilian pay is inherent to the position, rather than to the person in the position. The pay of GS, GM, and WGworkers is tied by law to the duties and responsibilities described by position classifications and job grading standards. In addition, the Department of the Navy issues classification standards and job-grading guidance for occupations and job environments not adequately covered by Office of Personnel Management (OPM) standards. These Navy standards are consistent with the grade alignments contained in OPM standards. The Secretary of the Navy (SECNAV) has authorized their use in situations to which they apply.

Within the Navy, authority to classify civilian positions has been delegated down through the chain of command and generally rests with commanding officers (COs). Senior and master chiefs are often required to write civilian position descriptions used by the civilian personnel office to classify the position. Detailed instructions for carrying out the classification process are given in *Civilian Personnel Instructions (CPIs)*, chapters 511 and 532.

As with military personnel, you should organize all civilian positions in such a way that the activity's mission can be accomplished with the minimum grade-level requirements.

CONTRACTORS

Contractors are an integral part of the Navy's total manpower force. The Navy's job is not to be in business. Therefore, private sources provide many of the commercial or industrial goods and services we need.

One of the principal limitations on contracting of a function is whether the billet assigned to the function is required for national defense. The DCNO (Manpower, Personnel and Training) makes this determination based upon manpower data submitted in fact sheets. Activities submit fact sheets in response to the review requirements of the Navy's Contracting-Out Plan.

When the use of contractors is possible and no overriding factors require in-house performance, rigorous comparisons of contract costs versus in-house costs are made. These comparisons are then used to determine how work will be done or services will be performed.

MANPOWER REQUIREMENTS AND DOCUMENTS

Manpower is programmed on the basis of the manpower requirements resulting from the policies and procedures of the Navy manpower system. Manpower requirements provide the basis for the development of plans to get, train, and assign personnel.

The Navy Manpower Requirements Program encompasses three subsystems. The primary purpose of these subsystems is to determine and document quantitative and qualitative manpower requirements for the Navy. These subsystems include the Ship Manpower Document (SMD) Program; the Squadron Manpower Document (SQMD) Program; and the shore requirements, standards, and manpower planning system (SHORSTAMPS).

AUTHORIZATION DOCUMENTS

Authorization documents set forth minimum manning requirements for ships, air squadrons, and shore stations. The CNO determines these requirements from the Navy's required operational capabilities (ROC) and projected operational environment (POE). The Navy uses three authorization documents: Ship Manpower Document (SMD), Squadron Manpower Document (SQMD), and Shore Manpower Document (SHMD). They display in detail the manpower requirements and the rationale for determination of the requirements. Manpower as shown in the manpower documents is termed **organizational manning** and serves as the basis for manpower authorization. Requirements are drawn from the ROC and POE. *Naval Warfare Mission Areas and Required Operational Capabilities/Projected Operational Environment (ROC/POE) Statements (NOTAL)*, OPNAVINST C3501.2H, contains procedures for submitting inputs to update the ROC/POE.

Required Operational Capabilities

Required operational capabilities (ROCs) are those functions a command is expected to perform in carrying out the assigned mission. A ship, for example, is designed to meet an ROC, not vice versa. The ROCs for ships and squadrons are issued in *Missions and Characteristics of USN Ships and Aircraft Squadrons*, NWIP 11-20.

Projected Operational Environment

The projected operational environment (POE) establishes the most demanding environment in which a naval unit must operate and be fully manned and capable of accomplishing its mission.

SHIP MANPOWER DOCUMENTS AND SQUADRON MANPOWER DOCUMENTS

The Ship Manpower Document (SMD) and Squadron Manpower Document (SQMD) Programs are elements of the Navy Manpower Engineering Program (NAVMEP). SMDs and SQMDs reflect the existing and projected quantitative and qualitative manpower requirements for operational ships and aircraft squadrons. SMDs and SQMDs serve as a basis for planning and conducting training and personnel management.

Minimum manpower requirements are developed based on the ship's or squadron's most efficient organization plan. These requirements are determined primarily by the required conditions of readiness and operational workload.

The Navy Manpower Engineering Center (NAVMEC) develops the initial SMD/SQMD Documents. NAVMEC uses the Navy manpower requirements system (NMRS) to forward these documents through the chain of command for review. After final CNO approval, the SMD/SQMD Documents are issued as OPNAV instructions. These instructions form the basis of each unit's Manpower Authorization, OPNAV 1000/2 (fig. 6-3).

The OPNAV Ship Manpower Document (SMD) schedules SMD evolutions on a nominal cycle of 3 or 5 years. The OPNAV SMD schedule is published quarterly. It is provided to fleet commanders (FLTCINCs), type commanders (TYCOMs), and appropriate Deputy Chiefs of Naval Operations (DCNOs) for information. SMDs are developed for each ship undergoing regular overhaul (ROH). Extended periods between planned ROHs and major equipment upgrades effected in selected restricted availability periods result in more frequent updates for many classes of SMDs. Therefore, SMDs are issued every 3 years for large ships (BBs, CV/CVNs, LCCs, LHAs, LHDs, LPHs) and every 5 years for all others. Class SMDs are normally developed for new construction ships delivered in quantity (for example, FFG 7, SSN 688, and AO 177). These SMDs apply to each ship of the class until a ship's first ROH.

OPNAV SQMD survey schedules are used to schedule SQMD evolutions on a triennial cycle. These schedules, issued by message each quarter, provide about 6 months of lead time.

The most critical element of the SMD/SQMD evolution is the ROC/POE statement. The appropriate chain of command submits recommended changes to the DCNO warfare sponsor to ensure ROC/POEs are kept current and accurately state the ship/squadron wartime mission. Copies of changes recommended by the chain of command are also forwarded to the Navy Manpower Engineering Center and the Chief of Naval Operations, OP-123. DCNO warfare sponsors review and validate the existing ROC/POE statement by memorandum to CNO, OP-123. Each time a ship or squadron is scheduled for an SMD/SQMD evolution, DCNO warfare sponsors issue an updated document. Before approval of ROC/POE changes, DCNO warfare sponsors are provided a manpower requirements impact statement from CNO, OP-123.

Shore Requirements, Standards, and Manpower Planning System

The *Shore Requirements, Standards, and Manpower Planning System (SHORSTAMPS)*, OPNAVINST 5310.12F, is an application of industrial and management principles. The Navy uses these principles to determine the total manpower requirements for the Navy establishment ashore. SHORSTAMPS is made up of the shore required operational capabilities (SHOROC) subsystem of standard tasking phrases and the Navy staffing standards subsystem. These subsystems provide a link between operational capability and the resulting manpower requirements. As a result, the Navy can decide the quality and quantity of manpower required for individual activities to perform a full range of approved tasks.

The Shore Manpower Document (SHMD) for a specific activity combines the Navy tasking phrases and Navy staffing standards applicable to that activity. It also describes the total manpower the activity needs to perform its full range of required tasks. Changes in an activity's SHOROC may result in a revised manpower requirement.

The SHMD serves as a basis for the Manpower Authorization and for programming military billets and civilian positions that will be reflected in the Manpower Authorization.

OPNAV 1000/2 (REV. 4/79) FROM: CHIEF OF NAVAL OPERATIONS TO: DISTRIBUTION LIST		MANPOWER AUTHORIZATION														DATE: 03/07/81		PAGE: 3										
FOR DETAILED DESCRIPTION OF ENTRIES, REFER TO OPNAVINST. 1000.16 (SERIES)														1		2												
ACTIVITY CODE	ACTIVITY NAME	UIC	CLAIMANT	SMC	HOMEPORT GEOGRAPHIC LOCATION				RSPN	MARP	S/S	CPS	DSK	MCA	TRANSACTION													
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EFF. DATE	BILLET/ POSITION SEQUENCE CODE	BILLET/POSITION TITLE	ACC	P F A C	S F A C	DES/GR RATE PS HS	PNOBC PNEC P/PLN	PSSP OCC SERIES	PAQ GR	U T I L	PG BOC	MP	ME	SI	CSR	BA	PLANNED AUTHORIZATIONS						MOBILIZATION REQUIREMENTS					
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	23100	CMAA				MACS					001		0		1	1	1	1	1	1	1		1	1	1	1	1	1
	23200	ASST CMAA		G		BM3					001		0		1	1	1	1	1	1	1		2	2	2	2	2	1
	24000	COMPT/STOCK DIV																										
	24100	MATERIAL RECEIPT				SK1					0X7		0		2	2	2	2	2	2	2		2	2	2	2	2	1
	24200	TECH SUPPORT				SK2					0X8		0		1	1	1	1	1	1	1		2	2	2	2	2	1
	24300	ELECTRONIC STR KPR				SK3					0X8		0		3	3	3	3	3	3	3		4	4	4	4	4	1
	26000	MAINTENANCE DIV																										

Figure 6-3.-Manpower Authorization, OPNAV 1000/2.

Manpower Authorization

The Manpower Authorization (MPA) states the manpower needs of an activity. It gives the Bureau of Naval Personnel (BUPERS) and the Enlisted Personnel Management Center (EPMAC) the authority to properly distribute personnel throughout the Navy and to recall reservists. The Manpower Authorization has the following uses and applications:

- Used as a basic document for peacetime and wartime planning of the recruiting, training, and distribution of personnel
- Used for planning of mobilization during times of crisis
- Describes billets authorized to reduce manning when a unit's functions are reduced because they are below the capabilities of the unit
- Used by division officers to do the following:
 - Determine billets authorized during peacetime manning
 - Determine authorized NECs to meet the skill level of each rate

ENLISTED DISTRIBUTION AND VERIFICATION REPORT

The Enlisted Distribution and Verification Report (EDVR) is distributed monthly by EPMAC. Each activity responsible for maintaining an enlisted account receives two copies of sections 1 through 4 and one copy of sections 5 through 12 for each enlisted account maintained. Manning and assignment decisions are made based upon the information contained in the EDVR. You must keep the account up-to-date and accurate by reporting personnel events as they occur and correcting errors when they are identified.

- The EDVR lists all personnel assigned and provides the following information:
- A statement of account of enlisted crewmembers received on a monthly basis for verification by the activity from NMPC
- A rate and rating summary of the current and projected manning posture of the command
- The basic decision document for the distribution authority responsible for distributing and detailing enlisted personnel

- The common denominator in any decision of manning posture between the distribution authority and the command
- A permanent historical personnel record of the activity in BUPERS

Contents of the EDVR

The EDVR is organized into twelve sections. BUPERSINST 1080.52, *Format and Procedures for Validation of Enlisted Distribution and Verification Report (EDVR)*, gives a detailed description of the contents and procedures for validating the EDVR. The following is a brief description of the contents of the EDVR:

Section 1–Prospective gains

Section 2–Prospective losses

Section 3–Personnel on board for temporary duty, in a deserter status, or administratively dropped from Navy strength accounts; followed by an alphabetic list of all members assigned to the activity regardless of duty status

Section 4–Total personnel on board in distribution community sequence (list of crew by rating, Quartermasters, Operations Specialists, and so forth) (fig. 6-1)

Section 5–Personnel status summary (numeric summary of authorized personnel)

Sections 6 through 10–CNO billets authorized; NEC Billet/Personnel Inventory, NEC Inventory Section, Diary Message Summary, and Duty Preference Listing

Section 11–Security/data validation section; contains the pay entry base date (PEBD), time in rate (TIR), and effective advancement date of personnel as well as security data about each person

Section 12–TAD/embarked personnel; a listing of both officer and enlisted personnel in an embarked or temporary additional duty (TAD) status to augment normal manning

Navy Manning Plan

Personnel assets are rarely equal to manpower requirements. Distribution managers (the people who distribute manpower to all units) are always faced with the problem of how best to use assets that are short or are in excess of manpower requirements. Part of the solution to this problem is the use of a manning plan to

help determine how to distribute shortages and excesses. The Navy Manning Plan (NMP) serves this purpose. It designates the ship's "fair share" of current assets available in the Navy. The NMP is shown in the statistical summary in sections 4 and 5 of the EDVR.

ACCURACY OF THE EDVR

The EDVR is updated monthly by the ship's office through enlisted diary entries. The diary entries are correspondence from the ship to EPMAC that update the enlisted personnel data bank.

Individual detailing (ordering personnel to and from an activity) and manning decisions are, for the most part, based on information contained in the EDVR account. Therefore, each activity should keep its account up to date and accurate by submitting changes as they occur and reporting errors when they are found.

A letter in the "Verify Remarks (DD)" column of sections 3 and 4 of the EDVR requires special attention by the activity. The letters in the DD column refer to other columns in the EDVR. For example, an **N** in column DD indicates that column N information requires verification and an **S** indicates column S information needs verification.

You should keep the activity's EDVR current by making changes as they occur. An up-to-date EDVR is a valuable asset for your personnel management. It can substantially reduce time spent in the monthly verification of the report.

When reviewing the billet status of your people or unit, notify the personnel officer of any errors you discover in the EDVR. The personnel officer can then take corrective actions.

OFFICER DISTRIBUTION CONTROL REPORT

The Officer Distribution Control Report (ODCR) is a statement of account of officer personnel on board. It is received on a monthly basis for verification with information contained in the BUPERS officer personnel data bank. It provides BUPERS with information needed to determine and evaluate officer personnel requirements. The ODCR contains the following information:

Ž Billet titles

Ž Designator allowed on board for each billet

- Navy officer billet classification (NOBC)-job description
- Officer data-estimated loss date, dependents, subspecialty, and so forth

One of the reports produced from the Active-Duty Naval Officer Automated Record at BUPERS is the Officer Data Card (ODC). The ODC provides information for detailing, selection boards, and so forth. A copy of the ODC is mailed to all officers annually for updating.

DISTRIBUTION ACTIVITIES

EPMAC is located in New Orleans, Louisiana, and is responsible for the assignment of all nonrated designated strikers. EPMAC also maintains the enlisted manpower data bank and distributes EDVRs for update monthly by each command.

The Chief of Naval Personnel (CHNAVPERS) in Washington is responsible for assignment control of all designated strikers, petty officers (E-4 through E-9), and officers.

FISCAL RESPONSIBILITY

Do you know what it costs to run your division? Do you know the true value of the service your division or work center provides? You most likely know the answer to the first question. The department head probably keeps you well informed about the amount of money your division is spending. In addition, you probably hear how the division is going to have to do more work with less money next quarter. To answer the second question, you need to determine the tangible (monetary) and intangible (mission support) value of your division's work. By doing that, you can show your command's senior managers just how important the division's services are. You can also show how cost-effective the division is.

To figure the value of your division's services, use a published civilian fee schedule and price list to calculate the civilian market value of the different jobs your division does. Then use General Services Administration (GSA) price schedules and NAVCOMPT Notice 7041 to compute the in-house costs of doing the same work. You will probably be surprised at how much it actually costs the division to do some of its jobs. You will also be surprised at the cost-effectiveness of your division's work when compared to the cost of the same job in the civilian market.

You should know the costs of the various types of jobs your division performs. You should weigh these costs against the importance of the various jobs in helping the command accomplish its mission. Once you have done that, you can identify those jobs which give the command its greatest return on investment. At the same time, you can tag those less vital jobs that contribute little or nothing to mission accomplishment. You may find they could be handled in a more cost-effective way or perhaps shouldn't be done at all.

ACTIVITY-LEVEL BUDGETING

Cost estimates to meet activity-level budget requirements for nonconsumable resources (such as major procurement items) are developed by a cognizant headquarters under its budget system.

Operating budgets (OBs) provide the plans against which commands can measure performance, analyze variances, and make adjustments, as necessary. By using the OBs, commands can assure effective, efficient management of resources at the local level. OBs are a major tool for obtaining, managing, and accounting for resources for operating commands, units, and divisions.

Large Activity Budgets

Budgeting is usually decentralized at large naval activities. At a large activity, the CO usually asks the various components of the command to develop their own operating budget estimates and supporting data. The CO provides guidelines based on guidance received through command channels and the projection of local program and workload objectives. The guidelines include actions required of each station component in the formulation, summarization, coordination, and review processes and the schedule of completion for these actions. The guidelines also include information on specific budget procedures and the approved flow of budget data from the point of origin to the review levels.

The CO may appoint a planning board or committee to assist in the overall planning, coordination, and review of the budget. This board or committee is composed of the activity's principal management officials and comptroller.

Budget responsibilities at a large activity are usually divided between the station's operating departments and the financial (comptroller) staff. This division of responsibilities prevents duplication of effort and provides for a smooth formulation process as follows:

OPERATING DEPARTMENTS. Operating departments have authority and responsibility for program accomplishment, performance standards, and work schedules. They are responsible for preparing the initial budget estimates for their departments, reviewing intradepartmental (divisional) estimates, and justifying their budgets to the CO.

COMPTROLLER STAFF. Members of the comptroller's staff are available for technical guidance on budgeting matters. They recommend budget procedures and schedules and provide procedural and analytical assistance to the heads of operating departments. They review and recommend adjustments in completed departmental estimates to arrive at a balanced station budget and assist in the CO's review as requested. The comptroller's staff also prepares the budget in finished form for submission to higher review levels.

Small Activity Budgets

The comptroller or budget office of a small activity may develop its entire budget estimate with assistance from operating personnel as required. The activity must inform key station officials of guidance received, pertinent station policy, scheduling, and other applicable planning data. Most activities use simple and direct procedures to inform these officials. Some commanding officers, for example, present such information at regular staff meetings. They provide handouts containing essential information to be retained by personnel for reference as needed. The staff then asks questions and discusses the information to clarify budgetary issues.

In developing estimates for a small activity's organizational subdivisions and assigned functions, the comptroller consults responsible people in these areas. By doing that, the comptroller ensures the data used reflects realistic forecasts of workloads and requirements in relation to overall command plans and guidance received.

When completed, estimates are reviewed by the commanding officer, who has final responsibility for their validity and for defending them to higher authority. Following any adjustments made by the commanding officer, the comptroller combines the estimates into a single budget request for submission to higher commands.

THE BUDGET PROCESS

Budgeting begins with the collection of the information on which your budget request will be based. Much of this information is historical in nature. It comes from the usage data recorded on completed work orders and requests, consumable and nonconsumable equipment and material receipt and expenditure records, and your operating target (OPTAR) log and other supply records. The rest of this information is a blend of projected changes to your current mission. (The projected changes are based on changes in customer needs, the addition or deletion of a particular service, and the availability of improved technology to your unit.) Obviously you shouldn't wait until 2 weeks before the due date of your budget request to start collecting and evaluating this information. Instead, you should continually perform this process all year.

You should also cultivate and maintain industry and trade contacts to find out about improvements in equipment, material, and process technology. Make contact with the technical representatives serving your local area to let them know of your interest. Subscribe to and read trade periodicals (magazines), and write for information about products you believe could be useful in your operation. Keep open channels of communication with other managers in your field by encouraging the exchange of information and ideas.

Once you have collected all the information on which to base your budget decisions, ask yourself the following questions:

Ž Will my unit's mission be the same next year as it was this year?

- If yes, will the volume of work increase, decrease, or remain the same?
- If no, what work will we no longer do? What work will be added, and how much?

Ž Will my unit be doing the work the same way next year as we did it this year? If not,

- what materials and equipment will we no longer stock or use and
- what materials and equipment will we have to begin to stock or use?

Ž What is the cost of the materials and equipment we will require to operate next year, and when should we order them?

The answers to these questions are based on information you have gathered and on the current cost of standard stock and open-purchase items. You do not figure inflation into your budget as a percentage increase over projected costs. That is done at a higher level. But inflation is nevertheless a real factor you must consider. As costs rise you maybe forced to buy less of everything you need.

You can beat inflation and decrease the chances of your budget request being reduced by submitting a detailed, item-by-item breakdown of your funding needs. Such a request would identify not only how much material your division needs, but also what the material is used for and what organizations and missions it supports. Then if inflation erodes the buying power of your OPTAR funds, you can show your department head and commanding officer exactly how much your services will be cut. You can also show them what organizations and missions will suffer if you cannot obtain the quantities of materials requested. When presented in this reamer, a budget is much easier to support and harder to cut. If cuts must be made, it forces the command authority to decide exactly where, and at whose expense, the savings will be made.

When planning a budget, you cannot accurately predict every possibility, but Navy budget planning makes allowances for that. Every commanding officer has Operation and Maintenance, Navy (O&MN) funds set aside to deal with new or unexpected requirements. So if your division is suddenly tasked to provide an unexpected service or a large, unplanned volume of support, you can ask for extra funds. You can justify the request by showing that the division cannot perform the task and continue providing regular services without the extra funds.

ACTIVITY-LEVEL BUDGET EXECUTION

The operating budget prepared by a responsible center sets forth the annual plan of operations. It is the commanding officer's estimate of the total resources required throughout the year for performance of the activity's mission, including reimbursable work/service for others. The budget as approved by proper authority sets forth the actual resources available, and it is against these amounts that performance will be evaluated. Approval is received on a Resource Authorization (NAVCOMPT Form 2168-1). The Resource Authorization indicates, in quarterly increments, approved obligational authority, military services authority, and expense authority.

In the event the total budget is approved in an amount other than that requested, the activity must revise its annual plan to agree with the approved amount. The revision is based upon guidance furnished by the approving authority. If directed, a copy of the updated plan, in the same format as the original budget submission, must be furnished to the approving authority.

Upon completion of the revised plan, the commanding officer may issue to departments of the activity authority to use certain resources. Those resources would be within amounts available and within all limitations placed upon the commanding officer's budget.

LIMITATIONS OF OPERATING BUDGETS

Section 3679(g) of the Revised Statutes, as amended, provides that all agencies of the government receiving appropriations of public funds must establish administrative regulations. The regulations prevent the agencies from taking any action that would require an obligation or expenditure in excess of an appropriation, apportionment, reapportionment, or subdivision.

Pursuant to this requirement, the Department of Defense (DOD) issued regulations titled Administrative Control of Appropriations Within the Department of Defense. Its contents are included in the *Navy Comptroller Manual* (also issued as DOD Instruction 7200.1). Commanding officers must ensure all affected subordinates are made aware of the penalty provisions of this statute. They must also make sure affected subordinates are made aware of all current Navy Department directives pertaining to the administration of funds.

An activity's operating budget has the following specific limitations:

Ž Total Direct Expense—The total direct expense authority is an administrative limitation on a cumulative basis. It is not subject to Section 3679 R. S., nor is it an "expense over-run" to be considered an administrative violation requiring a violation report. In the event expenses exceed total expense authority, a letter or dispatch report to the grantor of the operating budget is required instead of a violation report.

Ž Total Operating Budget—The total amount of the direct operating budget is also an administrative limitation on a cumulative basis. It is not subject to Section 3679 R.S. The reporting requirements described above apply also to the total OB.

Ž New Obligational Authority—New obligatory authority financed by the current year operation and maintenance appropriation is a legal limitation on a cumulative basis. It is subject to Section 3679 R.S. penalties.

To the extent that an activity accepts reimbursable orders, its expense authority, direct operating budget, and new obligatory authority increase automatically. Accepted reimbursable orders represent anticipated payments for work/services provided to others.

LOCAL BUDGET RESPONSIBILITIES

In carrying out an activity's mission, the CO is responsible for program accomplishment and for the administration of appropriated funds. The CO is responsible for all other financial matters at the activity, including the following:

- Determining resource requirements
- Ensuring effective, efficient use of resources
- Ensuring the use of funds is within all legal, administrative, and regulatory restrictions
- Controlling obligations (unfilled orders meeting the criteria of obligations) and expenditures

The CO may not delegate financial responsibility to a subordinate. The CO is assisted by heads of operating departments and the comptroller's staff.

Enforcement of the budget falls principally upon the heads of departments since the responsibility for achieving planned results is usually theirs. COs may exercise considerable latitude and discretionary authority in delegating responsibility in this area.

The heads of departments are responsible to the CO for compliance with the laws and regulations governing the use of appropriated funds.

The comptroller (budget administrator) is responsible for those functions related to an integrated system of financial management. They include budgeting, accounting and related disbursing, program analysis, progress reports and statistics, and internal review. Under the CO, the comptroller is responsible for strict compliance with the account-keeping procedures, financial control practices, and reporting prescribed by competent authority. One of the staff's major contributions to management is in the areas of statistical analysis and interpretation of variances. Because of the command channel funding concept, the operating budget now permits greater flexibility than was

formerly possible. Such analyses and interpretations can significantly help the CO make decisions about funding shifts and program trade-offs.

The staff continually performs an obligation and expenditure review to help headquarters components control the obligation and expenditure of funds under their administration. This review permits continuing comparisons of obligations and expenditures with authorized funds. In comparing the rate of obligation with the budget plan, the staff investigates the reasons for any variations. With the knowledge obtained from such reviews, those responsible can better anticipate future fund requirements. They can also avoid overobligation and overexpenditure by making needed adjustments or, when necessary, by placing timely requests for reallocation or reapportionment.

PROPERTY ACCOUNTING

Operation of the naval establishment requires many categories of material—aeronautical, electronic, ordnance, ship's parts, and subsistence items, to name a few. These categories are inventory segments of our Navy's equipment and material system. Managing this inventory and protecting the investment of the government requires strict accountability. The Navy accounts for property through the use of custody cards, inventories, and plant and minor property accounting systems.

Custody Cards

For each item of controlled equipment requiring custody signature, you must have a Controlled-Equipage Custody Record (4442). Use either the NAVSUP Form 306 or 460 (figs. 6-4 and 6-5). Both cards are generally referred to as custody cards. After sighting the item identified on the card, an appropriate authority, usually the division officer or the department head, signs the card to acknowledge custody of the item. NAVSUP Form 306 fits into a three-ring binder. NAVSUP Form 460 fits into the pocket of a cardex file.

The original and at least one copy of the custody card should be prepared for each item of equipment requiring custody signature. The original should be maintained by the supply officer or the department head. If the supply officer maintains the original, it is generally signed by the department head. In most units, however, the department head maintains the original custody cards, and the division officer signs them. For plant property (plant account) items requiring custody

signature, the administrative branch or the comptroller usually keeps the original.

Duplicate copies of custody cards are usually maintained by the division supply petty officer for subcustody purposes. When an item of equipment requiring custody signature is issued to a member of the crew, it is signed for on the duplicate copy of the custody card. The person receiving the item is, therefore, acknowledging subcustody of the item. Permanently installed items should be subcustodied to the petty officer in charge of the workcenter where the equipment is located.

The duplicate or subcustody card is also used to make periodic and required sight inventories of the items. The card is signed (on the back) by the person conducting the inventory. The original custody card need only be signed once by the person having custody of the item. It need not be signed each time an inventory is conducted. The original custody card is signed by the relieving authority when he or she initially sights the custody item.

Z Inventory of Controlled (Custody) Equipage

All items of controlled equipage, including items requiring a custody signature and plant property items, must be inventoried at least annually during the period 15 February to 15 March. Inventories of controlled equipage are also required when any of the following situations occur:

- The ship, station, or unit is commissioned, inactivated, or reactivated.
- Upon relief of the department head.
- Upon change of command at the discretion of the relieving CO. Although not specifically required an inventory should also be conducted whenever the division officer or division supply petty officer is relieved of his or her duties.

A Controlled-Equipage Custody Record (4442), NAVSUP Form 306 or 460, is usually used to conduct the controlled equipage inventory. Each article is sighted and inspected for serviceability by the person making the inventory. Articles identified by serial number are checked by those numbers when inventories are taken.

As the inventory progresses, the person conducting the inventory signs the custody record, acknowledging custody or inventory, as appropriate, of all the items sighted. All controlled equipage inventories must be completed within 30 days after the date of commencement. When taken jointly by the relieved and

(Card No.)	(Department)	(FSN/Part No.)	(Noun name)	(Allowance)	(U/I)	(A/L No. - Page-Line)	(Unit price)	
CONTROLLED-EQUIPAGE CUSTODY RECORD (4442) NAVSUP FORM 460 (Rev. 3-70)						CUSTODY SIGNATURE REQUIRED <input type="checkbox"/> YES <input type="checkbox"/> NO		
TRANSACTION RECORD						INVENTORY RECORD		
DATE	DOCUMENT NO.	REC'D FROM/EXPEND. TO	REC'D	EXPEND.	BALANCE	I acknowledge custody of this item in the quantity indicated.		
						DATE	QTY	
						BY		
						DATE	QTY	
						BY		
						DATE	QTY	
						BY		
						DATE	QTY	
						BY		
						DATE	QTY	
						BY		
O/S REQ'N (No.)		(Qty)	O/S REQ'N (No.)	(Qty)	O/S REQ'N (No.)	(Qty)	O/S REQ'N (No.)	(Qty)
SERIAL NO.								
ADD'L DESCRIPTION								
CARD NO.	DEPARTMENT	FSN/PART NO.	NOUN NAME	ALLOWANCE	U/I	A/L NO:	UNIT PRICE	
						PAGE:	LINE:	
STOCK NO. 0108-501-0802								

Figure 6-5.-Controlled-Equipage Custody Record (4442), NAVSUP Form 460.

Issue requests applicable to shortages and unserviceable items requiring replenishment have been submitted to the supply officer (or the reasons why they have not been submitted).

Surveys applicable to shortages and unserviceable items have been submitted (or the reasons why they have not been submitted).

The list of excess controlled equipage items, including justification or authority for any excess items desired to be retained, has been submitted.

Any shortages or unserviceable items found during inventory must be covered as appropriate by Government Property Lost or Damaged (GPLD) Survey Certificate, DD Form 2090; Report of Survey, DD Form 200; or Missing, Lost, Stolen, or Recovered Government Property, OPNAV Report 5500-1.

Plant Property Accounting

Plant property is the term used to describe all Navy-owned real property and other property under the

care of the Navy. Plant property items are divided into four classes, as follows:

Class 1-Land

Class 2-Buildings and improvements

Class 3-Equipment, other than industrial plant equipment

Class 4-Industrial plant equipment

Department heads at each activity are responsible for plant property under their custody. They must assist the fiscal officer in obtaining technical descriptions of plant property and affixing identification plates and decals on the property. They must also help the fiscal officer in determining the estimated life of the property; reporting acquisitions, dispositions, transfers, and surveys of plant property; and conducting physical inventories.

As a master or senior chief, the classes of plant property you will be most concerned with are classes 3 and 4.

PLANT PROPERTY CLASS 3. –Plant property class 3 includes equipment, other than industrial plant equipment, that meets all the following criteria:

- Has a first unit cost of \$1,000 or more
- Has an expected normal useful life of 1 year or more
- Is not specifically excluded by appropriate authority
- Is used in furtherance of the assigned mission of an activity, including the functions of all subordinate subdivisions of the activity
- Is not altered beyond further use as an equipment item in performance of work within its designed capabilities
- Is not part of another equipment item
- Has been issued to the activity for use
- Does not, by nature of its installation or use, form an integral part of a plant property class 2 item

PLANT PROPERTY CLASS 4. –Plant property class 4 includes all equipment and machine tools having an initial acquisition cost of \$1,000 or more and identified by specific four-digit special commodity codes (SCCs) and production equipment codes (PECs) as industrial plant equipment.

Minor Property

Minor property in use generally consists of property of a capital nature that meets all the criteria for plant property class 3 except the \$1,000 criterion. It also includes those items that meet all the criteria for class 3 but that have been specifically excluded from class 3, such as office desks, tables, filing cabinets, and lockers.

MISSING, LOST, STOLEN, OR RECOVERED GOVERNMENT PROPERTY

The Navy has long recognized the importance of maintaining statistics to determine where, when, and how Navy property was missing, lost, or stolen. Based on this premise, missing, lost, stolen, or recovered (MLSR) government property reports must be submitted to proper authorities within the Department of the Navy (DON). DON's ultimate goal is to improve the Navy's physical security program. To ensure the MLSR program's success, commands must report all MLSR incidents and accurately describe the circumstances. The major benefit will be significant improvements in ship and shore physical security programs. The reporting of these incidents by an MLSR

report is independent of the Naval Investigative Service's request for investigative assistance.

Details of the MLSR program are given in SECNAVINST 5500.4D. All master and senior chiefs should be familiar with this instruction. It specifically covers the following categories of materials; MLSR reports **must** be made when items in these categories are missing, lost, stolen, or recovered:

- All serialized property having a value of \$100 or more that is owned, leased, rented, or borrowed by the Navy.
- All unserialized property having a value of \$500 or more that is owned, leased, rented, or borrowed by the Navy.
- All unserialized property that is owned, leased, rented, or borrowed by the Navy considered to be sensitive items regardless of the actual or estimated value. Sensitive items for this purpose are considered to be precious metals, highly technical devices, and classified material.
- All serialized or unserialized property items exceeding \$500 (even though a single item does not exceed the \$500 minimum) involved in a cumulative loss through the same incident.

In addition to MLSR reports, surveys are also required. Specific procedures for conducting surveys are given in supply publications. The basic procedures are described in the following paragraphs.

SURVEYS

A survey is the procedure required when Navy property (except incoming shipments) is lost, damaged, or destroyed. The purpose of a survey is to determine the responsibility for the lost, damaged, or destroyed property and to determine the actual loss to the government. A true determination can be made only through a thorough research of the facts surrounding the loss or damage. This research should not be limited to simply verifying statements of interested parties. It must be broad enough to ensure the full protection of the interests of the government, as well as the rights of the individual(s) or Navy activities concerned. A review is required to prove or refute statements of interested persons and to place responsibility where it belongs.

Preliminary Research

Immediately upon the discovery of the loss, damage, or destruction of government property, the

department head or division officer concerned will do preliminary research. The purpose of the research is to determine if any evidence exists of negligence, willful misconduct, or deliberate unauthorized use of the property in question. If the preliminary research fails to show positive evidence of negligence, willful misconduct, or unauthorized use, a GPLD Survey Certificate, DD Form 2090, can be initiated. If, however, the results of the preliminary research show positive evidence of negligence, willful misconduct, or unauthorized use, a Report of Survey, DD Form 200, will be used. A Report of Survey is not required if the value does not exceed \$500 and the responsible person voluntarily consents (in writing) to pay for the property. If the value does not exceed \$500, a DD Form 2090 can be used even when negligence, willful misconduct, or unauthorized use is involved and the responsible person will reimburse the government. In the case of voluntary reimbursement in excess of \$500, the DD Form 200 is used.

When Further Research Action Is Not Required

The CO may decide that further research action into the circumstances of the loss, damage, or destruction of government property is not required for the following reasons:

✓ Negligence is not indicated.

✓ For known reasons, negligence or responsibility cannot be determined and research under those conditions would be an unnecessary administrative burden.

Research action is not usually required when an individual accepts responsibility for the loss, damage, or destruction of the property and voluntarily offers to reimburse the government.

The CO or a designated representative may permit the use of investigative reports required by higher authority (such as MLSR reports) instead of further research under the following conditions:

- No death or injury was involved.
- The total property loss, damage, or destruction does not exceed \$200.
- No possible claim could be made against the government.
- When Further Research Is Required

If preliminary research shows evidence of possible negligence, willful misconduct, or unauthorized use, the

incident is considered unresolved. Further research into the incident will then be conducted.

Further research is also required when the incident involves the following items or conditions:

- Sensitive items; for example drugs and precious metals
- Classified items regardless of dollar value
- Pilferable items when the discrepancy is \$500 or more
- An indication or suspicion of fraud, theft, or negligence
- Discrepancies over \$50,000 (all items)
- Arms or ammunition, including personal arms
- Bulk petroleum loss exceeding stated allowance
- Mandatory turn-in repairable
- Missing controlled equipage

Further research is conducted for the following reasons:

✓ To relieve the person accountable for the items in question of responsibility

✓ To substantiate adjustment of stock records

✓ To identify problem areas

✓ To identify corrective action

Survey Procedures

The following forms are used in connection with survey procedures:

✓ GPLD Survey Certificate, DD Form 2090

✓ Report of Survey, DD Form 200

The DD Form 2090 is used when no personal responsibility is evident for the loss, damage, or destruction of property. The DD Form 200 is used when personal responsibility is evident, if the reviewing authority does not approve the DD Form 2090, or if the CO or higher authority so directs.

The DD Form 2090 is normally prepared by the person who conducted further research into the circumstances of the lost or damaged property. The DD Form 200 is usually initiated by the person accountable or responsible for the property in question. When circumstances warrant, the CO may appoint a surveying

officer or survey board to investigate the circumstances of the lost, damaged, or destroyed property. An example is when circumstances indicate criminal action or gross negligence. The CO is designated to take final action on the DD Form 200 under all but the following circumstances:

- The property value or cost of repair exceeds \$10,000 or financial responsibility is involved.
- The DD Form 200 lists property for which the CO is personally responsible.

The CO may not always have the authority to take final action or for some reason may desire to forward the report to higher authority for action. In such cases, the CO makes suitable recommendations and forwards the report.

SUMMARY

Senior and master chief petty officers play a key role in the Navy's manpower plan. When requesting manpower or manpower authorization changes, base your requests on a ZERO-BASE concept. Keep in mind that manpower resources should be kept to the minimum required for mission accomplishment.

Manpower authorization reviews should be conducted annually with any change requests submitted 5 to 9 months before the required change is needed.

When determining the minimum manpower required, refer to the occupational standards or naval standards for the particular rating or rate. Use the following criteria in deciding the minimum grade requirement:

- Amount of responsibility
- Skills required
- Number of people supervised
- Experience required
- Lowest grade in which the rating is authorized

NAVY ENLISTED CLASSIFICATION CODES (NECs) identify personnel with special skills not included in their rating. They play an important role in helping you determine manpower requirements. The three types of NECs are ENTRY series, RATING series, and SPECIAL series. Each NEC is assigned a sequence code. Entry series NECs are assigned sequence code 1. All other NECs are assigned code numbers 2 through 8. The lower the sequence code, the higher the NEC

priority. NEC WP-9999 is used to identify shore billets requiring women petty officers.

An important manpower tool is the ENLISTED DISTRIBUTION AND VERIFICATION REPORT (EDVR), issued to each command monthly. The EDVR is a statement of the command's enlisted personnel account. The EDVR is made up of 12 sections. You will be most concerned with sections 1 through 4. Section 4 is a listing of all enlisted persons, except deserters, in the command. The accuracy of the EDVR is important to your command; take an active part in verifying the information it contains.

Every operation in our Navy must be conducted as effectively and efficiently as possible. You should know the cost and time it takes your people to produce a product.

Each year the Navy must plan its budget based on its mission. This budget process filters down to every field activity, division, and work center in the Navy.

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